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Development Account

Report of the Secretary-General*

Summary

The present report is prepared pursuant to paragraphs 4, 6 and 7 of section IV of General Assembly resolution 61/252, by which the Assembly requested the Secretary-General to submit a comprehensive report setting out recommendations on how additional resources, without using surpluses, could be identified for transfer to the Development Account; to provide a review of the modalities and rationale for the funding of the Account, along with procedures to identify efficiency or other gains and options on identifying an additional $2.5 million for transfer to the Account; and to prepare an assessment of impact of the Account in terms of its aims and purposes and to report thereon to the Assembly at its sixty-second session.

* The present report is submitted late owing to the need for extensive consultations with offices.

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Contents

		Paragraphs	*Page*
	Introduction	1–2	3
	Part one Review of the impact of the Development Account in terms of its aims and purposes	3–57	4
I.	Overview	3–5	4
II.	"Impact" assessment and the aims and purposes of the Development Account	6–17	4
III.	Three issues related to the Development Account	18–31	9
IV.	Assessing the five major aims and purposes	32–51	14
V.	Survey results on Development Account management issues	52	21
VI.	Conclusion	53–57	22
	Part two Review of the modalities and rationale for funding the Development Account, definition of procedures to identify efficiency or other gains and options on identifying additional resources for the Account	58–80	23
I.	Background	58–67	23
II.	Modalities and rationale for the funding of the Development Account: identification of efficiency and other types of gains	68–74	25
III.	Definition of procedures to identify efficiency or other gains	75–76	27
IV.	Options on identifying additional resources for the Development Account	77–78	27
V.	Conclusions and recommendations	79–80	28

Introduction

1. The present report is submitted in accordance with the requests contained in paragraphs 4, 6 and 7 of section IV of General Assembly resolution 61/252, in which the Assembly requested the Secretary-General to submit to it at its sixty-second session a comprehensive report including the following:

(a) A review of the modalities and rationale for the funding of the Development Account as contained in the report of the Secretary-General on the Account submitted to the General Assembly at its fifty-second session[1] and subsequent reports of the Secretary-General[2] and resolutions[3] of the Assembly, in the light of experience;

(b) A definition of procedures to identify efficiency or other gains, including but not limited to any potential savings that might be identified by Member States for transfer to the Development Account in the context of intergovernmental processes, as well as their practical measures of implementation;

(c) Recommendations to the General Assembly on identifying a further $2.5 million for the Development Account;

(d) An assessment of the impact of the Development Account in terms of its aims and purposes.

2. The present report is presented in two parts, as follows:

(a) *Part one. Review of the impact of the Development Account in terms of its aims and purposes.* Part one contains a discussion of the concept of impact and reviews the aims and purposes of the Development Account, then addresses specific issues related to the Development Account, and finally assesses its major aims and purposes. This is followed by its conclusion that the Development Account is largely meeting the criteria and specific objectives established by the Assembly and is generally successful in terms of identifiable short term impact. It addresses the request of the Assembly indicated in paragraph 1 (d) above.

(b) *Part two. Review of the modalities and rationale for funding the Development Account, definition of procedures to identify efficiency or other gains and options on identifying additional resources for the Development Account.* Part two contains a discussion of the review of modalities and rationale for funding of the Development Account and proposes options on identifying additional resources. It addresses the request of the General Assembly indicated in paragraphs 1 (a), 1 (b) and 1 (c) above.

[1] A/52/1009.
[2] A/53/945 and A/61/252.
[3] Resolutions 54/15, 60/246 and 61/152.

Part one
Review of the impact of the Development Account in terms of its aims and purposes

I. Overview

3. The Development Account funds technical cooperation projects for the benefit of multiple developing countries in the priority programmatic areas under the responsibility of the respective implementing entities, particularly as they relate to advancing the goals set out in the Millennium Declaration and in the outcomes of the major United Nations conferences and international agreements since 1992. Project proposals are initiated by the member entities of the Executive Committee on Economic and Social Affairs and are expected to support their individual strategic priorities.

4. The Development Account was created in 1997 and funding was appropriated for the first time in the programme budget for the biennium 1998-1999. The Account was initially created through the identification of savings in administration and other overhead costs as part of the reform activities of that period. The funding base has been recosted during the biennium 2006-2007 with the resultant increase of $915,900. In addition, resources of $2.5 million were added to the base amount of $13,065,000 in the biennium 2006-2007. Accordingly, an amount of $16,480,900 (before recosting) constitutes the current level of the Account in the proposed programme budget for the biennium 2008-2009. The Under-Secretary-General for Economic and Social Affairs is the Programme Manager, who, in consultation with the Executive Committee has set a flexible indicative average funding size of about $650,000 for each individual project, although exceptions are made depending on the nature and requirements of the project proposal, and a total of 27 projects are proposed for funding for the biennium 2008-2009.

5. The General Assembly has set a number of different criteria to guide the operations of the Development Account. In simplified form, projects are expected to be of relatively short duration (less than four years from approval to completion). Each project is intended to benefit multiple developing countries, to encourage cooperative efforts between United Nations entities, to be innovative while resulting in sustainable impact, and to be based mainly on the technical, human and other resources available in developing countries. Regional and interregional joint activities are encouraged. The projects are expected to be implemented using the existing resources of the implementing entities, without the payment of overhead costs and with only limited use of external consultants.

II. "Impact" assessment and the aims and purposes of the Development Account

A. Situating "impact" assessment

6. In development, the term "impact" can be used in a number of different ways. In addition to the practical way vis-à-vis an assessment of the impact of the Development Account in terms of its aims and purposes, it also has a more technical

meaning to programme evaluators. Although different organizations use different conceptual references, a fairly common approach to thinking about results measurement is on a continuum from inputs to outputs, to outcomes and to impact. This approach has been adapted in the United Nations by substituting the term "expected accomplishments" for the term "outcomes". A highly simplistic example of this type of continuum could be the following:

(a) Input — $100,000;

(b) Output — 10 individuals trained in statistical techniques for monitoring of the Millennium Development Goals;

(c) Expected accomplishment — statistical offices able to develop data on the Millennium Development Goals in 10 countries;

(d) Impact — better evidence-based development planning leading to progress in achieving the Millennium Development Goals.

7. The Independent Evaluation Group of the World Bank has noted that impact evaluation is the systematic identification of the effects — positive or negative, intended or not on individual households, institutions and the environment caused by a given development activity such as a programme or project. Impact assessment is an important component of the armoury of evaluation tools and approaches, albeit only one among a number. The World Bank clearly places impact evaluation at the most strategic end of the results measurement continuum.

8. All aid organizations, including those of the United Nations system, operate in an environment characterized by growing demands to demonstrate results. Demonstrating results imposes the significant task of determining where and how results will be measured. For the United Nations development system today, success measurement in its most strategic form will be based on success in achieving the recognized international development goals that have emerged through the various United Nations conferences and summits. However, it is also clear that true impact measurement immediately introduces two important challenges: (a) timing: over what period will results be measured; and (b) attribution: to what interventions or lack of interventions should the successes or failures be attributed. The further one moves away from immediate outputs or expected accomplishments measurement towards impact, the longer will be the time frame required to measure results and the more challenging becomes the problem of attribution.

9. Accordingly, almost all United Nations agencies must focus their results measurement for project or programme activities on some combination of results statements that are both measurable over an appropriate time frame and attributable. Using the scheme outlined in paragraph 6 above, this means focusing largely on outputs and expected accomplishments, but this does leave unresolved issues about the ultimate impact achieved and to which interventions it can be attributed. Macroindicators are available to assess true impact over extended time periods, but attributing macro results to relatively small interventions such as those of the Development Account is not possible.

10. In accordance with criteria adopted by the General Assembly, the activities funded under the Development Account would be of limited duration. Accordingly, projects are expected to be both innovative and short-term. When completed, the implementing entity maintains no ongoing follow-up capacity. Projects focus on

capacity-building, which means that they are positioned very much at the front end of the development process, compounding the difficulties of tracing and attributing the more strategic elements of their impact. By design, the activities funded by the Account span a very broad spectrum of substantive areas (basically the full range of normative functions housed anywhere in the Secretariat), are geographically highly dispersed and are implemented by a number of different Secretariat entities. Finally, the Assembly has also called for the activities to be very low-cost in nature.

B. The aims and purposes of the Development Account

11. In his report on the review of regular programme of technical cooperation and the Development Account (A/59/397), the Secretary-General proposed possible measures to improve the performance of the Account. In paragraph 107 of the report, he noted that the Account, while operating with a set of approved criteria that had evolved over time, lacked a clear statement of programme objective. The General Assembly approved the objective statement for the Account, notably that "the Development Account is to fund medium-term technical cooperation projects (up to four years for implementation, following approval of the project document) in the priority areas of the implementing entities and that benefit multiple developing countries by encouraging cooperative efforts between various United Nations programmes in innovative cross-sectoral and regional or interregional activities and which are based mainly on the technical, human and other resources available in developing countries". It embodies many of the same basic criteria that have guided the Account since its inception. The Account has evolved significantly over its 10-year lifespan as lessons have been learned. This is reflected by changes in project nature, significant improvement in the quality of overall projects and clearer guiding procedures, which should lead to better results.

12. In addition to the above statement of objective, the Programme Manager has documented numerous separate elements of guidance for the governance of the Development Account since its inception. These focus on the criteria to govern the selection of projects for funding as well as for the desired outcomes. These are outlined below in order to reflect the broad range of considerations that have impacted on the management of the Account:

(a) Complement and further the implementing entities basic goals;

(b) Be innovative;

(c) Be capable of completion within two biennial periods;

(d) Draw on the knowledge, skills/capacity of the implementing entities;

(e) Build sustainable capacity in developing countries or countries in transition;

(f) Have succinct objectives with measurable outcomes and clear performance indicators;

(g) Reflect the priorities of the medium-term plan;

(h) Not implement proposals without Account funding;

(i) Represent low-cost solutions;

(j) Generate follow-on financing from other organizations;

(k) Have strong South-South orientation using skills and resources of developing countries;

(l) Ensure that projects generally have global, regional or subregional scope;

(m) Where possible, involve several Secretariat entities;

(n) Have synergies with other developmental interventions;

(o) Take advantage of information and communications technology;

(p) Take advantage of knowledge management, in particular through networking;

(q) Benefit from partnerships with non-United Nations stakeholders;

(r) Ensure that funding is sufficient to meet anticipated results.

13. It is important to note that most of these criteria relate to the characteristics of the projects to be funded through the Development Account. They do not significantly address the issue of the intended developmental impact except in the broadest of terms. From this, it could be concluded that the intended purpose of the Account is primarily aimed at encouraging cooperation between the various components of the Secretariat in linking their normative and operational capacities for the benefit of developing countries, with a heavy reliance on the use of the existing capacities of both the implementing entities and the developing countries themselves. This is not meant to imply that no development impact is expected, but the statement of objective relates more to how the Account is expected to operate rather than to what it is expected to achieve.

14. The objective statement for the Development Account as outlined in paragraph 11 above refers to the priority programmatic areas under the responsibility of the respective implementing entities. The following are the main areas of analytical and normative capacity of the Secretariat in the economic and social areas as set out in the thematic clusters of the Executive Committee on Economic and Social Affairs:

(a) International trade;

(b) Macroeconomics and finance;

(c) Sustainable development, human settlements and energy;

(d) Social development;

(e) Advancement of women;

(f) Countries in special situations;

(g) Governance and institution-building;

(h) Science, technology and productive sectors;

(i) Human rights;

(j) Statistics;

(k) Population.

15. For each new tranche it has been the practice to set a new theme to reflect evolving priorities as determined by the General Assembly:

(a) First tranche (1998-1999) — support to the implementation of global conferences;

(b) Second tranche (2000-2001) — networking and regional and subregional expertise;

(c) Third tranche (2002-2003) — capacity-building for managing globalization;

(d) Fourth tranche (2004-2005) — capacity-building for the Millennium Development Goals through partnerships, knowledge-management and taking advantage of information and communications technology;

(e) Fifth tranche (2006-2007) — supporting progress towards the internationally agreed development goals through knowledge management, networking and partnerships;

(f) Sixth tranche (2008-2009) — supporting the implementation of internationally agreed goals through innovation, networking and knowledge management.

16. The themes for the past two or three tranches reflect certain stabilization around a more consistent common theme. Accordingly, with 10 years of experience now available, it may be appropriate to rationalize and stabilize the key guiding criteria for the future activities of the Development Account.

17. Since the concept of "impact" is one of programme results rather than programme management, the present report deals only marginally with management issues, such as completion within two biennial periods, which are the subject of separate regular progress reports. Rather, the present report focuses on a limited number of issues from the extensive list of governance directives for the Development Account that reflects the main substantive themes of its aims and purposes. These are also the main characteristics applied by the Programme Manager in the daily operations of the Account and are used herein to assess the impact of the Account in achieving its aims and purposes:

(a) Sustainability;

(b) Networking, as a tool for knowledge-sharing combined with the use of information technology;

(c) Collaboration and synergies between the entities of the Secretariat and more outward-looking partnerships with the specialized agencies, non-governmental organizations or other local organizations;

(d) Innovation;

(e) Use of capacities of developing countries as a capacity-building tool.

III. Three issues related to the Development Account

18. Before addressing each in detail, three general questions need to be briefly discussed:

(a) Why is the Secretariat doing technical cooperation;

(b) How does the Secretariat see the value of the Development Account;

(c) What are the tools available to measure results?

A. The Secretariat and technical cooperation

19. The past two decades have witnessed many fundamental and rapid changes in the global development agenda. Central to this evolving climate was the United Nations system in all of its aspects. The Millennium Development Goals and other recognized goals arose from a series of sectoral and issues conferences held in various parts of the United Nations system. Key to this success was the critical ability to inform new thinking through the linkage of the United Nations system's analytical, normative and developmental roles. The ability of the United Nations system to link its analytical and normative functions with the practical experience gained in field level operations has been an important factor in the leadership displayed by the United Nations system. The basic philosophy of the development architecture of the United Nations system as it was conceived in the 1960s was based on the concept of a single central funding agency (the United Nations Development Programme (UNDP)) which would fund the implementation of technical cooperation activities that were based on the intellectual capacities (normative, analytical) of the various specialized entities of the Secretariat and the specialized agencies.

20. For a variety of complex reasons, this assignment of tasks increasingly unravelled, in particular during the 1990s. Faced with the reality of declining support for the concepts underpinning its historical central funding role, UNDP, with the support of Member States, reinvented itself starting in the late 1990s. It largely abandoned its role as a funding source for other parts of the system, although small vestiges of that role still remain. As UNDP funding for technical cooperation activities through other entities of the United Nations system gradually diminished, the entities were forced to establish their own fundraising capacities in order to be able to achieve two basic goals: (a) to allow developing countries to benefit through technical cooperation activities from the intellectual capacities they possessed as a result of their analytical and normative work; and (b) to continue to ensure that their analytical and normative work was grounded in the practical realities tested through field level implementation.

21. These two goals remain valid today. To ensure that they can be met, the various entities of the United Nations system have had to find practical ways to mobilize resources that they can use to help build these normative/operational linkages in the absence of UNDP funding. The Development Account is one modest source of such funding. All entities also now rely heavily on their ability to mobilize supplementary funding for their technical cooperation activities, although some have capacity-building as an element of their formal mandates and use regular budget resources to that end. As outlined in the note by the Secretary-General

transmitting the report of the High-Level Panel on the United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment, entitled "Delivering as one" (A/61/583), it is important to maintain a real and practical ongoing linkage between analytical, normative and operational work, even if the modalities to achieve this have been significantly reduced. As the various entities of the Secretariat represent important repositories of global as well as regional public goods in their specialized analytical and normative areas, some minimal level of direct involvement in hands-on field level operations is an important contributor to their ongoing relevance. While Member States provide resources under the regular budget for the normative and analytical functions of the Secretariat entities of the Executive Committee on Economic and Social Affairs, the only dedicated regular budget resources provided for technical cooperation are the provisions for the Account and for the regular programme of technical cooperation amounting to approximately $16 million and $46.9 million respectively for the biennium 2006-2007.

B. Secretariat views on the value of the Development Account

22. In addition to a limited number of personal interviews, a written survey was conducted with all of the implementing entities for the Development Account. The implementing entities consistently underscored the importance of the Account:

(a) As a tool to link their analytical and normative functions to practical operational activities;

(b) As a means of building cooperative working relationships with other United Nations entities (and particularly between central units and the regional commissions and among regional commissions themselves), noting that funding for such initiatives is generally limited in the United Nations system due to the vertical organization-specific structuring of most budgets;

(c) As a means to test new methodologies and tools, while noting that innovation entails risk;

(d) As a means to strengthen regional and subregional cooperation in focus areas;

(e) As a means to build capacities that serve other developmental objectives and activities (such as widely-used basic statistical capacities and networks for issues such as trade and gender);

(f) As a means to use capacities of developing countries and to encourage South-South cooperation.

C. Available measurement tools

23. The wide variety of activities funded by the Development Account and its evolving criteria have limited the ability of the Programme Manager to develop consistent ongoing results measurement tools throughout the Account's 10-year history. Obviously, statistical data based on objectively verifiable indicators are always the preferred means of assessing results. However, organizations working in the fields of human resource development and capacity-building seldom benefit

from such data except for measurement at the first two stages of the results-measurement continuum — outputs and expected accomplishments. The nature of the human resource development and capacity-building activities makes true impact measurement next to impossible in the short term and, when measurable in the long term through broader macro-indicators, attribution is virtually impossible. Indicators for the early parts of the results measurement chain — outputs and expected accomplishments — are generally available. But these, while much superior to simple inputs measurement, do not address true impact.

24. As a result, there has been little alternative other than to focus measurement essentially on the outputs and expected accomplishments. To do this, final reports and evaluations tend to focus on statistical indicators (where available) for the output stages (number of people trained, seminars held, tools developed, etc.) with a more subjective narrative analysis of the expected accomplishments (networks established, Governments adopting new policies and approaches, etc.). Historically, the self-assessments carried out by the implementing entities were on occasion supplemented by an evaluation carried out by some external party, generally a consultant experienced in evaluation. A decision has now been taken to carry out an external final evaluation of all completed projects starting with the fifth tranche (2006-2007).

25. One of the results of the practical necessity of relying heavily on subjective analysis is that reports on results tend to rely heavily on the citing of examples of successful outcomes. This makes it very difficult to roll-up overall results for activities of widely varying natures. To move forward from citing examples, systematic surveys can help group the opinions of knowledgeable participants on results achieved and present these conclusions in a broader and more systematic format. As indicated earlier, such a survey was carried out for the purposes of the report but the conclusions remain highly subjective. Nevertheless, the use of survey results from knowledgeable participants is a widely accepted approach in evaluation methodology.[4]

26. It is useful to recall that evaluation has two fundamental purposes which are quite different in nature. The first is to learn from past experience to improve design and implementation for the future. The second is to serve as a basis for accountability to senior management and governance. These purposes can frequently conflict, for example where a failed project provides valuable future lessons, but can also result in expressions of dissatisfaction from senior management or governance. It is important to underline that evaluation must first and foremost be seen as a learning tool if it is to be addressed honestly and openly. This is particularly important for the Development Account, given its focus on innovation, a focus that cannot be achieved without risk.

27. Given the global dispersion of the Development Account's implementing entities, a Development Account web site has been created which is the primary tool for disseminating Account information. The present review relied largely on documentation available on the website as well as internal material.

[4] Two examples of survey approaches to evaluation familiar to the operational agencies of the United Nations system are the United Kingdom Department for International Development's Multilateral Effectiveness Framework (MEFF) and the Multilateral Organizations Performance Assessment Network (MOPAN), which comprises nine donor countries. Both rely on survey techniques and both are generally considered to be useful.

28. Given the lifespan of the Development Account and the constraints of reviewing in detail all 94 projects funded under the Account, the projects of the third tranche were chosen as the sample to reach some of the broader observations that are outlined below. This selection includes 20 projects, representing 22 per cent of all the projects of the first five tranches and 43 per cent of the projects of the first three tranches, which are now closed. The third tranche was chosen for practical reasons, as it represents, in effect, the midpoint of the first five tranches and it is also the most recent tranche to be closed.

29. It is useful to briefly review the sequence that is now used for project management for the Development Account. It may be noted that the practice of developing full project documents based on the original concept papers was only instituted at the start of the fourth tranche:

(a) The concept paper is the basic summary document that is used by the Programme Manager in consultation with the Executive Committee on Economic and Social Affairs for project approval and funding. It is also the basis of the proposed programme budget document for the Development Account Section;

(b) Once the concept is approved for funding, a full project document is prepared that further refines and elaborates on the intents, methodologies and budgets as outlined more generally in the concept paper. This document is the basis for reporting by the implementing entity and for general monitoring by the Programme Manager;

(c) Annual progress reports on both substantive and budgetary progress in the implementation of the project are submitted at the end of each year. This information is consolidated into general progress reports that are used internally for management purposes and which also form the basis for reporting to the General Assembly;

(d) Final reports are submitted to close out each project. Such reports are required to include a basic self-evaluation of the results of the project according to a pre-determined structure;

(e) Some projects also submit stand-alone evaluation reports, normally prepared by evaluation experts contracted for the purpose.

30. Three observations arise out of the use of the internal material for document review:

(a) Although third tranche projects relied on end-of-project self-evaluation by the implementing entities for the assessment of results, three projects had been the subject of fuller evaluations carried out by specialist personnel contracted for the purpose. These reports were found to be particularly useful and were carried out at a reasonable cost. The possible standardization of this practice may be considered in the future;

(b) A small number of progress and final reports that should have been available given the advanced stage of third tranche implementation were missing. Currently, there are no dedicated resources available within the Development Account for in-depth central monitoring, evaluation or oversight by the Programme Manager to ensure compliance with reporting target dates and to better improve reporting;

(c) Third tranche projects were based on concept papers and not full project documents which were introduced for the fourth tranche. Some difficulty was encountered in linking the results measured in the progress and final reports against the anticipated results as stated in the concept papers. Owing to the absence of project documents in earlier tranches and time-lapses between the preparation of the proposed programme budget document and the actual implementation, measured results often were quite different in substance from the anticipated results. Since a selected sampling of projects for later tranches indicated at times significant changes between the approved concept papers and the final project documents, this situation may correct itself in the future with the application of results-based management. All organizations implementing results-based management approaches face difficulties, at least initially, in effectively linking objectives to indicators of achievement, which often accounts for differences in the measurement of results.

31. In addition to this standard project documentation, the Programme Manager with the support of the implementing entities has prepared four thematic reviews which were submitted to the Advisory Committee on Administrative and Budgetary Questions and the General Assembly in the context of the official progress reports.[5] These reviews group series of similar projects for overall review:

(a) In 2003, the Department of Economic and Social Affairs prepared a review on sustainable development (see A/58/404). The review essentially linked the projects funded under the Development Account to the follow-up of international conferences, reviewed the specific thematic focuses of the individual projects implemented or under implementation and provided a general assessment of results achieved. The review noted the importance of clearer focus and better defined objectives for project success, while noting also the considerable challenge of measuring longer term impact;

(b) In 2003, the Department also prepared a review on statistics (see A/58/404). The review outlined the general approach to capacity-building in this field, particularly underlining the linkages of the projects implemented to other United Nations activities and to existing and some new networks, and statistical committees. All projects were implemented with regional partners. High-level guidance on project activities was provided by a committee of senior statistical officials;

(c) In 2005, the United Nations Environment Programme (UNEP) prepared a review on the environment. The review highlighted the importance of the participation of local stakeholders and addressed the success in securing follow-up funding for related follow-on activities;

(d) In 2005, the United Nations Conference on Trade and Development (UNCTAD) prepared a review on trade. The review addressed eight different themes of the trade agenda that had been pursued through projects funded under the Development Account. It provided in each case a general assessment of the results achieved, the general approach that had been followed, the new networks established or existing networks strengthened and the considerable success in obtaining follow-up funding from other donors. This review also highlighted a relatively heavy dependence on traditional training mechanisms to achieve the

[5] A/55/913, A/57/360 and A/58/404, the fourth progress report was submitted only to the Advisory Committee on Administrative and Budgetary Questions for its review.

capacity-building goals envisioned. This latter issue is discussed in more detail in paragraphs 43 to 49 below.

IV. Assessing the five major aims and purposes

32. Although not among the five major criteria selected for discussion in the present report, in reviewing the projects of the third tranche, it was found that all projects essentially addressed two other criteria established by the General Assembly:

(a) They all fell within the basic goals and strategic plans of the implementing entities and this was clearly established in the concept papers;

(b) They all addressed the issue of capacity-building.

33. On the question of capacity-building, one of the questions that arose from the review of the third tranche projects is the extent to which various training exercises, including courses, seminars, workshops, study tours, etc., should be considered as capacity-building. The survey of implementing entities reflected a strong consensus that good training was a sustainable result that builds capacity, even if that sustainability, for a number of practical reasons, could not be tracked over the long term. There are in fact only a limited number of tested means of transferring knowledge from United Nations agencies to programme countries, or between programme countries themselves and training in its various forms has to be considered as one of the most important. Good training results were therefore considered to also represent capacity-building, the supposition being that improved human capacities will ultimately translate into improvement in the policies, approaches and institutional capacities. A second issue was the extent to which new approaches (training tools, conceptual models, etc.) developed within the implementing entities themselves should be considered as capacity-building. Since the scalability of project activities is also an important goal of the Development Account, the development of such tools with demonstrated potential for use in other programme countries is considered to be a legitimate form of capacity-building.

A. Sustainability

34. As with some of the other criteria established by the General Assembly, sustainability is not an easy concept to measure. In reviewing the sustainability of all of the projects of the first three tranches that are now closed, the review defined sustainability in what might be considered a narrow framework, by looking for indicators of ongoing activities after the project is completed, such as websites still up and running, training modules/software still being used or ongoing meetings of established networks. That review found that 55 per cent of the 47 projects of the first three tranches had clearly identifiable sustainable results. However what the review did not and could not address, would be the impact of what might be called 'one-time' activities, where the objective might be a discrete transfer of some knowledge elements which might not, by their nature, have been intended to lead to any follow-up processes. It is beyond the ability of current measurement technology to assess the ongoing impact of the results of such types of knowledge transfer.

B. Networking for knowledge-sharing supported by information and communications technology

35. Although the review addressed the issue of sustainable networks, the impact of enhanced use of information and communications technology is more difficult to assess. New information technology is now incorporated in a routine way into most organizations. While desktop computers, online management information systems, e-mail and Internet linkages might once have been considered to be innovative, they have now taken on the aspect of basic operating tools, in the same way as past eras saw the introduction of facsimile machines, word processing and copying machines. It is therefore not always easy to determine where the use of today's technologies should be seen as creative or innovative rather than routine. Where networking was a stated goal of the project, the review found that 38 per cent of projects in the first three tranches had been successful.

36. In some programme countries, access to the equipment necessary to use today's technologies may, however, be a continuing challenge, primarily but not exclusively for budgetary reasons. This was reflected in a number of the projects examined for the third tranche, which contained provisions for the supply to local parties of basic computer hardware. The supply of basic computers is a much smaller component of the projects of subsequent tranches. In the survey of implementing entities, a number noted that creative use of information and communications technology was not solely a function of the networks established. Additional examples found in third tranche projects that go beyond the basic use of information technology for networking purposes include:

(a) The creation of a web-based regional social statistics and indicators database;

(b) The creation of a web-based regional environmental statistics and indicators database;

(c) The creation of a regional directory of institutions and experts in social statistics;

(d) The development of web-accessible training materials for the training of trade negotiators;

(e) The development of two econometric models;

(f) The creation of seven national trade databases;

(g) Support to an implementing entity's web-based site for distance learning in trade, including models, benchmarking, regulatory framework profiles and taxation policies;

(h) The development of online materials for self-study on dispute settlement issues;

(i) One project with several different components related to the use of renewable energy for rural information and communications technology applications;

(j) One project with several different components for the systematic application of information and communications technology to build national machineries for the advancement of women;

(k) One project with a major orientation towards the use of information and communications technology for census-taking.

The 11 initiatives listed above, which go somewhat beyond the networking concept, were found in 8 of the total of 20 projects (40 per cent) of the third tranche.

C. Collaboration and synergies between implementing entities and with other partners

37. The aim of collaboration and synergies between implementing entities and with other partners is relatively straightforward to assess, since it lends itself more easily to statistical review. Tables 1 and 2 below provide basic data on joint projects between implementing entities for the first five tranches. Table 1 indicates that joint projects have generally settled at around 50 to 55 per cent of total projects funded for tranches 3 to 5. There is of course some danger in applying today's criteria for the full period, since some of the more important criteria have been adopted at different points throughout the relatively short history of the Development Account. A prime example of this is that all projects carried out under tranche 1 were single agency projects.

Table 1
Joint projects by tranche

Tranche	*Single agency*	*Joint*	*Total*	*Percentage of joint projects*
1 (1998-1999)	11	0	11	0
2 (2000-2001)	10	6	16	38
3 (2002-2003)	9	11	20	55
4 (2004-2005)	11	12	23	52
5 (2006-2007)	11	13	24	54
Total for period	**52**	**42**	**94**	**45**

Table 2
Profile by lead implementing entity (tranches 1 to 5)

				Regional		*Interregional*		*Global*			
Entity	*Single*	*Joint projects*	*Percentage*	*No.*	*Percentage*	*No.*	*Percentage*	*No.*	*Percentage*	*Total projects*	*Percentage of total projects*
DESA	13	14	52	13	48	5	19	9	33	27	29
UNCTAD	15	2	12	2	12	0	0	15	88	17	18
UNEP	5	4	44	6	67	1	11	2	22	9	10
UNODC	4	1	20	3	60	1	20	1	20	5	5
UN-Habitat	2	2	50	2	50	0	0	2	50	4	4
ECA	4	2	33	6	100	0	0	0	0	6	6
ECE	0	5	100	2	40	3	60	0	0	5	5
ECLAC	4	4	50	7	88	0	0	1	13	8	9
ESCAP	3	4	57	3	43	0	0	4	57	7	7
ESCWA	2	4	67	3	50	1	17	2	33	6	6
Total	**52**	**42**	**45**	**47**	**50**	**11**	**12**	**36**	**38**	**94**	**100**

Note: Not all percentages will add exactly due to rounding.

38. Table 2 reflects the joint, as well as the global, interregional and regional projects based on the lead implementing entity. There are certain elements of the functions of some of the implementing entities that can help to explain their differing performance on joint projects. The regional commissions share a broad range of common functions, thereby facilitating their regular cooperation among themselves and with the Department of Economic and Social Affairs. The higher levels of joint projects participation for the Economic Commission for Europe (ECE), the Economic and Social Commission for Western Asia (ESCWA) and the Economic and Social Commission for Asia and the Pacific (ESCAP) can also be partly explained by the less obvious physical demarcations of their geographic regions, leading to work on issues that cross their individual regional boundaries. At the other end of the spectrum, the work of the United Nations Office on Drugs and Crime (UNODC) is rather unique, in that it pursues a mandate that does not significantly overlap with the other implementing entities. The low level of joint project participation by the United Nations Conference on Trade and Development (UNCTAD) is perhaps more surprising given the overlap with the work of the regional commissions, and appears to be largely explained by its use of Development Account funding largely for global issues.

39. Table 2 also indicates that while valued, the Development Account plays a limited funding role for most implementing entities who can generally expect to have only one project funded for each biennium. If the Department of Economic and Social Affairs and UNCTAD are excluded, the remaining eight implementing entities led 50 projects implemented over the 10-year period or 1.25 projects per implementing entity per biennium (see table 3). With almost half of the projects being joint projects, some entities would have played roles in a larger number of projects, but not as lead entity. Projects implemented by the Department of Economic and Social Affairs cover a range of issues such as statistics, gender and sustainable development but only about one project in each main substantive area was implemented.

Table 3
A better balance of participating entities

		Department of Economic and Social Affairs and United Nations Conference on Trade and Development		*Other entities*	
	Total projects	*Number of projects*	*Percentage*	*Number of projects*	*Percentage*
Tranches 1 and 2	27	17	63	10	37
Tranches 3-5	67	27	40	40	60
Totals for Tranches 1-5	**94**	**44**	**47**	**50**	**53**

40. Table 3 also indicates that a better balance of work across the full range of implementing entities has gradually evolved over the life of the Development Account. In the first two tranches, the Department of Economic and Social Affairs and UNCTAD accounted for 63 per cent of the lead implementing roles while that percentage fell to 40 per cent for tranches 3 to 5.

41. As to partnerships, a review of the 20 projects funded in the third tranche focused on two different types:

(a) Partnerships in project implementation with international organizations other than the 10 Development Account implementing entities (international partnerships);

(b) Partnerships at the local level, including government departments and agencies, civil society organizations, and the private sector (local partnerships).

The results of this review are summarized in table 4 below.

Table 4
Partnerships for third tranche projects[a]

	Number of projects	*Percentage (of 20)*
International partnerships	14	70
Local partnerships	16	80
Projects with both types of partnership	10	50
Projects with neither type of partnership	2	10

[a] The total number of projects is 20.

42. In general, it can be concluded that the Programme Manager and the implementing entities have been quite successful in achieving the goals of joint projects and partnerships. However, there are certain limitations on the ability to pursue the objective of joint projects. Accordingly, one of the other goals being pursued is that of scalability — the ability to use proven techniques for a broader range of beneficiaries over the long term. At one end of the scalability spectrum are organizations such as UNCTAD as it focuses on tools with global utility while at the

other end of the spectrum are organizations such as UNODC whose programme mandates are shared only to a very limited extent with other implementing entities.

D. Innovation

43. The general concept of innovation is one that does not appear to lend itself to easy measurement. The word "innovation" entails a variety of concepts: (a) the introduction of something that is new; (b) the alteration of what is established; and (c) new practices and/or methodologies. Assessing the scope of innovation is a highly subjective process, with conclusions heavily dependent on the values and perceptions of the assessor.

44. In the programme objective established by the General Assembly for the Development Account, the concept of innovation is directly linked to two dimensions of the activities to be programmed: cross-sectoral and regional or interregional. The survey of implementing entities revealed a lack of conviction that joint projects per se resulted in innovative cross-sectoral initiatives. Table 2 above indicates that regional and interregional projects accounted for 62 per cent of the total projects of the first five tranches.

45. However, innovation could also be considered as going beyond these two more-restricted concepts, to embrace the general character of the activities — such that they do represent generally new approaches or methodologies. The policy of the Programme Manager is that follow-up projects are not allowed for the same subject and target countries, but the use of a newly developed approach or methodology is allowed if it is subsequently targeted to a different group of beneficiaries. It is acknowledged that while this is a reasonable approach, it does constrain the extent to which new projects can be considered as innovative. Review of the third tranche projects leads to the conclusion that considerable innovation can be achieved within certain limits and the implementing entity survey generally reflected confidence about the prospects for future innovation. As indicated earlier, the transfer of knowledge by the implementing entities to the programme countries poses the fundamental challenge that the most effective means are now largely tested and known, with only limited scope for innovation. The evolving themes of the Development Account tranches indicate that there is increasing focus on networking and the introduction of information and communications technology as key elements of the innovative approach, and for the results measurement process, some stabilization of themes would be beneficial.

46. A further dimension arises when innovation is addressed from two different angles: (a) the innovation inherent in the subject addressed; and (b) the innovation inherent in the project methodology. Looking first at the subject addressed, it is evident that if the Development Account projects are intended to pursue the various international development goals, the core subject matter is in some measure predetermined, and therefore cannot largely be considered to be innovative in a broader sense. On the details however, the review of third tranche projects found many projects that could be considered as quite innovative in nature. Some examples include:

(a) Trade facilitation and electronic business;

(b) Promotion of capital markets;

(c) Governance with a gender perspective;

(d) Poverty alleviation strategies for urban governments;

(e) Managing globalization;

(f) Managing foreign direct investment;

(g) Interregional land and sea transport linkages;

(h) Dispute settlement on issues of trade, investment and intellectual property;

(i) Competition law;

(j) Implementation of certified environmental management systems;

(k) Renewable energy for communications in rural areas;

(l) Drug abuse prevention in the workplace and the family;

(m) Community-based approaches to alleviating environmental degradation;

(n) Designing and implementing national cleaner technology strategies.

47. Since the examples listed above represent 14 of the 20 projects approved under the third tranche, it is considered that the subjects addressed were quite innovative.

48. In terms of project methodology, the review for this report found somewhat less innovation. It should be noted, however, that the scope of options is limited as most of the effective means of knowledge transfer are both well-established and tested. The review of the third tranche projects found a heavy reliance on:

(a) Traditional workshops, seminars, training courses and study tours;

(b) Coupled with a major emphasis on establishing sustainable networks, most relying in some measure on information and communications technology;

(c) With some examples of truly innovative approaches in pursuing stated objectives, such as:

(i) The work undertaken by several agencies on sea and land transport linkages;

(ii) The use of global and regional advisory bodies on a number of projects;

(iii) The linkages into regional universities for training on trade issues;

(iv) The models developed and tested for best practices in renewable energy sources for communications in rural areas;

(v) The linking of national, subregional and regional institutional networks for water and energy.

49. In summary, assessing innovation is a highly subjective process, with the results varying greatly depending on the perspective of the assessor. The review of the third tranche projects found considerable innovation in the issues addressed and less innovation in the methodologies used.

E. Use of capacities of developing countries

50. From table 4 above, it can be seen that 80 per cent of third tranche projects entailed some type of partnership with local organizations, obviously entailing the use of the capacities of developing countries. The survey of implementing entities reflected their general assessment of a highly successful use of the capacities of developing countries. Of further relevance is that much of the basic normative capacity on which the various implementing entities rely for their material arises directly from their experiences in project execution and other functions in developing countries.

51. The survey of implementing entities indicated a very high level of both consensus and importance on using the capacities of developing countries for the implementation of projects funded under the Development Account, while noting that North-South transfers were also, on occasion, demanded by the programme countries. Many responses provided examples, and some noted their almost exclusive reliance on developing country resources. They noted also that it could be more difficult to establish clear links between project activities and sustainable improvements in South-South cooperation. Nevertheless, most ranked projects funded under the Account quite highly in achieving this objective.

V. Survey results on Development Account management issues

52. As mentioned earlier, the impact review did not envision addressing Development Account management issues. Nevertheless, it may be useful to summarize here some of the main comments of the survey on how improved Account management could lead to improved impact, noting that comments were generally laudatory of the overall work of the Programme Manager. While these points were made by several implementing entities, they do not always represent a consensus view:

(a) Follow-up funding should be permitted for highly successful projects;

(b) There should be a more transparent approach with better communication throughout the long process from submitting proposals through to approval, a time period that should be reduced, including clearer selection criteria and better debriefings on why proposals were not approved;

(c) Greater weighting should be placed on the quality of proposals and less weighting placed on joint projects;

(d) Where warranted, there should be greater upwards flexibility on the acceptable size of projects, although many expressed satisfaction with the current approach;

(e) A strengthened website should foster better real time management of all participants with less emphasis placed on providing general public information;

(f) There should be greater stability in both criteria and processes, including a possible reduction in the number of applicable criteria;

(g) Strengthened instructions should be formulated relating to project documents, financial management, evaluation and the logical framework;

(h) There should be more flexible and simpler (streamlined) financial and project management processes, in particular for joint projects.

VI. Conclusion

53. In preparing the present review, two fundamental questions were raised in varying forms on the management of the Development Account or the implementation of its projects:

(a) Are the projects demonstrating any results;

(b) What are the long-term impacts of the projects on the development of the programme countries?

54. While it is possible to answer the first question in the affirmative, the second requires an acceptance that short-term results will lead to long-term impact, even if current measurement technology does not make direct attribution possible. Ultimately, most long-term impact assessments depend on macroindicators that generally do not permit direct attribution to individual, smaller projects, as in the case of the Development Account.

55. It is evident that the Development Account is largely achieving its aims and purposes as defined by the General Assembly and is producing demonstrable and beneficial results. When the broad range of criteria established by the Assembly is synthesized into more manageable form, it is possible to say that the Account is meeting them. With a 10-year history, one noticeable feature is the continuing improvement over time of the substance of the activities and management of the Account. These improvements lead to the reasonable expectation that results will also improve.

56. Expectations for the long-term developmental impact of the Development Account must be put into perspective. This is a modest programme fund, dispersed over many different implementing entities, geographic regions and subregions, and with a very wide range of substantive areas of focus. The projects that are funded are by design of an in and out nature. The objective is to carry out a carefully designed activity, to achieve some impact in the targeted countries, to learn the appropriate lessons and to develop new tools of broader applicability, and to move on to apply the lessons learned elsewhere. Major funds and programmes and some specialized agencies maintain a continuing presence in the programme countries. This is not the case with many implementing entities of the Account. As a result, it is constraining to implementing entities or the Programme Manager to assess long-term impact, which can be measured only long after the activity is completed and with continued presence in the programme countries. To a certain extent, continued support for the aims and purposes of the Account, as currently defined, requires an understanding that if the projects achieve their expected accomplishments in the short term, then long-term benefits will follow, even if they cannot be measured solely in the context of activities funded by the Account.

57. Furthermore, as mandated by the General Assembly that this should be a low-cost approach no dedicated overheads are provided for either the implementation of projects or for central management overall. The Development Account may reach a point where this approach may need to be revisited, in particular if Member States wish to have much more systematic analysis and feedback on the results achieved.

The survey indicated a few areas of possible incremental improvement in the management of the Account from the point of view of the implementing entities. More systematic central management and monitoring, including a more systematic approach to analysing results, would likely require a limited dedicated core staffing capacity. Implementing entities continue to place a high value on the Account, despite its modest size. Their responses indicate a high level of support for the criteria that guide the Account as established by the General Assembly and indicate also that they consider they are effectively meeting the aims and purposes of the Account.

Part two
Review of the modalities and rationale for funding the Development Account, definition of procedures to identify efficiency or other gains and options on identifying additional resources for the Account

I. Background

58. It is recalled that in his report entitled "Renewing the United Nations: a programme for reform", the Secretary-General proposed to create a "dividend for development" from savings in administration and other overhead costs (see A/51/950, paras. 57 and 58). It was reflected in the report that, with savings achieved in the context of the 1998-1999 proposals for the regular budget and with Member States' support, for example by reducing the number of meetings and documents, it would be possible to deliver an efficiency dividend growing to at least $200 million for the biennium starting 2002. The proposed actions (21 and 22) of the same report described that the central administrative and support offices as well as every department and offices would be given specific savings targets to reduce their administrative and other overhead costs over the next two bienniums for reallocation to a development account. These were further elaborated in the report of the Secretary-General entitled "Creating a dividend for development" (A/51/950/Add.5). The General Assembly, by its resolution 52/12 B, decided to establish, in the programme budget for the biennium 1998-1999 a development account to be funded from savings from possible reductions in administration and other overhead costs, without affecting full implementation of mandated programmes and activities, and requested the Secretary-General to submit a detailed report by the end of March 1998, identifying the sustainability of this initiative, as well as the modalities of implementation, the specific purposes and associated performance criteria for the use of such resources.

59. By its resolution 52/220, the General Assembly decided that the amount of $362,000, saved as a result of the abolition of the High-level Advisory Board on Sustainable Development, should be transferred to the Development Account. By its resolution 52/221, the Assembly appropriated a total of $13,065,000 under section 34, Development Account, as part of the budget appropriation for the biennium 1998-1999.

60. In his note on the utilization of the Development Account (A/52/848), the Secretary-General presented the overall programme objectives and direction for the

utilization of the Account, overall principles guiding the utilization of the Account and general guidelines for development account proposals to be submitted to the General Assembly. However, in its resolution 52/235, the Assembly expressed its regret that the note by the Secretary-General on the utilization of the Account did not provide substantive information or a clear direction to enable it to take a final decision at that time and requested the Secretary-General to submit a report containing an identification of the types and areas of efficiency measures to be implemented throughout the Secretariat and estimates of the amounts and percentages of the possible savings to be achieved; an analysis of the impact of such efficiency measures on the staffing levels of the Organization and on the delivery of mandated programmes and activities; the sustainability of the Account and its activities beyond the year 2003; and specific proposals on the programmatic objectives and direction of the Account in accordance with the priorities set out in the medium-term plan for the period 1998-2001, taking into consideration the complementarities of the activities of the Account with other relevant sections of the programme budget. In the same resolution the Assembly also noted that the amount of $200 million suggested by the Secretary-General was an indicative target to fund the Account and that no time frame should be specified for reaching that target.

61. Pursuant to that request, the Secretary-General, in his report on the Development Account (A/52/1009), elaborated various aspects of the Account, including the concept of the Account, sustainability, modalities for identifying gains and transferring funds, modalities of expenditure from the Account, specific purposes and associated performance criteria for the use of resources.

62. In presenting the modalities of expenditure from the Development Account, the Secretary-General recommended that funds appropriated for the Account be treated as a multi-year project and that any balance of appropriation for the Account at the end of the biennium be carried forward to the succeeding biennium, given that individual projects and activities to be funded from the Account could extend beyond one biennium. The Secretary-General reiterated the same concept in his note on the utilization of the Account (A/52/848), where he proposed that funds appropriated for the Account be treated as a multi-year project and any unexpected balance appropriation for the Account at the end of the biennium be carried forward to the succeeding bienniums.

63. In his report on the modalities for operating the Development Account (A/53/945), the Secretary-General reiterated a multi-year nature of the Account and suggested that for transfer to the Account of resources released arising from productivity gains, he would only include gains that had been verified and were sustainable and that did not have impact on mandated work programmes.

64. The General Assembly, in its resolution 54/15, decided to establish a special multi-year account for supplementary development activities based on the priority objectives of the programme of the approved medium-term plan. It also decided that savings to be achieved as a result of efficiency measures could be identified in the context of the budget performance reports and should be transferred to the Development Account section with the prior approval of the Assembly.

65. In his report on the review of the regular programme of technical cooperation and the Development Account (A/59/397), the Secretary-General submitted proposals, inter alia, on the Development Account. In proposal 6 on funding arrangements of the Account, the Secretary-General recalled that the Account had

been established in 1997 on the basis of savings from reductions in administration and other overhead costs identified in the Secretariat from his reform programme. He also indicated that the Assembly had also established the savings identified at that time as the base level of funding for future years, with future verifiable and sustainable savings to be added to the Account. While this provision was well intentioned, its impact has been that no further savings had been identified and at that time the Secretary-General further reflected that it was perhaps excessively optimistic to expect managers to identify savings in their own activities that would then automatically be reallocated to another programme. He pointed out that while removing the provision did not necessarily guarantee that further savings would be identified, its continued existence almost guaranteed that savings would not. Therefore, it was considered that the provision overall was counterproductive. The Secretary-General proposed that the Assembly rescind the provision and that any future increase in funding levels for the Account be considered in the light of competing priorities that exist for the use of the overall United Nations programme budget. This view remains valid.

66. By its resolution 60/246, the General Assembly decided that the Development Account should be recosted for the biennium 2006-2007 and, in that context, requested the Secretary-General to pursue the relevant proposals contained in his report on the review of the regular programme of technical cooperation and the Account (A/59/397), and to provide to the Assembly at its sixty-first session recommendations on how additional resources in the region of $5 million could be added to the Account. Pursuant to the Assembly's decision, the Account was recosted during the biennium 2006-2007 with a resultant increase of $915,900.

67. In his report on the identification of additional resources for the Development Account (A/61/282), the Secretary-General reiterated, inter alia, that in the absence of a reliable method to determine the cost of outputs and services, efficiency savings could not be identified and that he was not in a position, at that stage, to make recommendations in the region of $5 million to be added to the Account. A proposal was, however, made for the Assembly to consider the use of budget surpluses at the end of the current financial period ending December 2007 as a means of increasing funding. By its resolution 61/252, the General Assembly decided to appropriate $2.5 million as an immediate exceptional measure towards addressing the lack of transfer of resources to the Account since its inception. It further requested the Secretary-General to provide recommendations on identifying a further $2.5 million in the context of the report to be submitted in accordance with paragraph 4 of the same resolution.

II. Modalities and rationale for the funding of the Development Account: identification of efficiency and other types of gains

68. In response to the General Assembly's request in its resolution 52/235, the Secretary-General in his report (A/52/1009) identified the following six major types of efficiency measures being pursued at that time under modalities for identifying gains and transferring funds:

(a) Simplifying processes, procedures, rules and services, including eliminating the duplication of efforts within a department and/or between departments, and discontinuing functions that were no longer required;

(b) Enhancing flexibility and responsibility of the managers by delegating more authority and responsibility to programme managers in the areas of managing human and financial resources and eliminating the redundancy that now existed;

(c) Expanding and strengthening common services, to ensure that support services were cost-effective, of high quality, timely, provided on a competitive basis and resulted in full user satisfaction;

(d) Creating an electronic United Nations and utilizing fully information and automation systems, using modern information technology, particularly the Integrated Management Information System, to replace redundant processing techniques, thereby reducing the use of hard copy and modernizing departmental and secretarial functions;

(e) Establishing further equitable reimbursement for services rendered to extrabudgetary activities and cost recovery, with a view to ensuring full cost recovery for services provided to other agencies, extrabudgetary activities and other similar sources;

(f) Enhancing conference services support for meetings and documentation, using new technology and improved work methods.

69. Over the past bienniums, it has been more apparent that while there may be productivity gains realized through the implementation of efficiency measures, it has been impossible to quantify these productivity gains. For example, while the efficiency measure to simplify processes, procedures, rules and services improves the quality of services, impact on mandated programmes in the form of increased benefit, for instance, through timely payments to staff, reduction in average time for recruitment, etc., productivity gains per se cannot be quantified.

70. The Secretary-General has also produced a number of reports[6] on enhancing cost-effectiveness in implementing legislative mandates and in which information was included on the implementation of measures designed to increase efficiency and productivity in the Secretariat. In particular, in his report on progress and impact assessment of management improvement measures (A/62/69), the Secretary-General noted efficiency examples such as the implementation of the Society for Worldwide Interbank Telecommunications network which had led to increased automated payments and lower bank charges, and the use of automation techniques to improve final consolidated financial statements. While lower individual bank charges are a reality, due to an increase in the number of banking transactions, there has not been a decrease in total bank charges. The efficiency due to automated techniques has resulted in more time for review and verification of accounts and thus improved adherence to reporting deadlines.

71. Both of these examples highlight efficiency gains being made, but no savings in dollar terms, which could be redeployed to the Development Account. Nevertheless, the efficiency measures identified enable programme managers to be better organized and more results-oriented.

72. As stated in the introduction to the programme budget for the biennium 2006-2007 (A/60/6, para. 15), budget proposals continue to include a variety of efficiency

[6] A/52/685, A/52/758, E/AC.51/2002/2, A/58/70, A/60/342 and A/62/69.

measures, including the increased use of websites to disseminate information, videoconference meetings and the consolidation of reports and publications.

73. At the sixtieth session of the General Assembly, the Advisory Committee on Administrative and Budgetary Questions stated that considerable improvements needed to be made in reporting on efficiency gains, which should be based on a well-established methodology, a common approach and standards, objective measurement tools and identifiable and realistic benchmarks and time frames.[7] In addition, it also noted that incentives and disincentives for programme managers to achieve efficiency gains should be addressed.

74. In view of the Committee's comments, the Secretary-General indicated (A/62/6 (Introduction)) that the progress and impact assessment of management improvement measures contained in his report of the same title (A/62/69) would be considered by the General Assembly at its sixty-second session, along with his report on the feasibility of the application of cost-accounting principles in the Secretariat (A/61/826). Dependent on decisions to be taken by the Assembly on these reports, and on the implementation of an enterprise resource planning system, further enhancements could be made to reporting on efficiency measures and gains.

III. Definition of procedures to identify efficiency or other gains

75. In order to successfully identify efficiency or other gains, a system which supports the identification of gains would be needed, as noted in the report of the Secretary-General on the identification of additional resources for the Development Account (A/61/282). The existing information management system provides information only on the total of unspent balances. However, it does not identify how they were achieved, for example, through the non-implementation of objectives, etc. Under the existing Financial Regulations and Rules of the United Nations, the unspent balances are returned to Member States. Before specific procedures in addition to those noted in paragraph 64 above could be identified, it is imperative that a system to support the recording of various types of gains accurately is in place.

76. As noted above in paragraph 74, dependent on decisions to be taken by the General Assembly, future information systems may be able to provide such information.

IV. Options on identifying additional resources for the Development Account

77. In section IV, paragraph 6, of its resolution 61/252, the General Assembly requested the Secretary-General to provide recommendations to the Assembly on identifying a further $2.5 million for the Development Account.

78. Taking into account the current absence of a system to identify and record efficiency gains, the Secretary-General proposes the following options:

[7] *Official Records of the General Assembly, Sixtieth Session, Supplement No. 7* (A/60/7), para. 102.

(a) Efficiency gains identified by the Office of Internal Oversight Services. In recent reports by the Office, various cost savings have been identified. It may be opportune through joint collaboration between the Office and the affected departments to analyse each savings against realized sustainable efficiency measures, rationalization of work or streamlining/enhancement of processes in the context of the programme performance reporting which may thereby be transferred to the Development Account with the concurrence of the General Assembly;

(b) Results-based management. With the enhanced monitoring and evaluation being considered in the overall context of results-based management, combined with cost accounting principles and the implementation of enterprise resource planning system, opportunities may arise to better identify tangible and sustainable resources relating to efficiencies to augment the Development Account;

(c) Realignment of priorities. In his report on the identification of additional resources for the Development Account (A/61/282, para. 23) the Secretary-General stated that any future increase in funding levels for the Account is subject to the Assembly's consideration of competing priorities that exist for the use of the overall United Nations programme budget. However, no conclusion was reached on this aspect. Accordingly, the Assembly may wish to revert to the issue in the context of future realignment of programme priorities within the overall programme budget level.

V. Conclusions and recommendations

79. It should be noted that under current information technology systems, the identification of efficiency or other gains for transfer for the Development Account is not currently possible. In this regard, the General Assembly may wish to consider the options presented in paragraph 78 above as longer-term measures.

80. **The Secretary-General recommends that the General Assembly:**

(a) **Take note of the impact assessment in part one of the present report;**

(b) **Consider the various proposals presented above and decide on the options that should be pursued to increase the current funding level of the Development Account.**